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**CENTRAL INTELLIGENCE GROUP**  
INTELLIGENCE REPORT

116766

COUNTRY Germany (Russian Zone)

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DATE:

25X1A

SUBJECT Imports of Iron and Steel;  
Position of Soviet AGs

DIST. 8 October 1947

PAGES

SUPPLEMENT

ORIGIN 25X1A

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1. According to agreement between Czechoslovakia and the Russian Zone, Czechoslovakia was to deliver 25,000 tons of iron and steel to the Russian Zone per quarter. During the second quarter of 1947, however, deliveries amounted to only 1,800 tons. The amount of deliveries for the third quarter of 1947 was not available on 1 September, but source stated that it would certainly be lower than that for the second quarter.
2. Coal deliveries from Poland to the Russian Zone have been fairly satisfactory, but iron and steel imports remain far below the expected level.
3. Importation of iron and steel is the most important economic problem of the Russian Zone, which has a large deficit. According to source, the situation is aggravated by the fact that the bulk of the insufficient imports goes to the Soviet AG.
4. In source's estimation, the Soviet AG has developed into an autonomous combine no longer under the orders of SMA. It receives its orders directly from Moscow and follows production plans which not only have not been submitted to SMA but which often conflict with the SMA program. Koval has no influence in matters concerning the Soviet AG. On the other hand, the Soviet AG can and does exert great influence on German production in the Russian Zone, as for example, through appropriating for its own use both German stocks in the zone and imported goods.

Source - 8 Oct. 1947

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Class. CHANGED TO: TS S C

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